

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 692
FINAL READING
(SECOND)

Introduced by Byars, 30; Cunningham, 18; Engel, 17; Erdman, 47;
Jensen, 20; Maxwell, 9; Price, 26; Suttle, 10;
Robak, 22; Smith, 48; Redfield, 12; Stuhr, 24;
Thompson, 14; Kristensen, 37

Read first time January 16, 2001

Committees: Appropriations & Health and Human Services

A BILL

1 FOR AN ACT relating to health care funding; to amend sections
2 71-1626 and 71-1627, Reissue Revised Statutes of
3 Nebraska, and sections 68-1526, 71-6050, 71-7605,
4 71-7606, 71-7607 to 71-7609, 71-7611, and 71-7614,
5 Revised Statutes Supplement, 2000; to change provisions
6 relating to local public health departments, the Nebraska
7 Lifespan Respite Services Program, and the Nebraska
8 Health Care Funding Act; to change and eliminate
9 provisions relating to use of funds, grants, loan
10 guarantees, and reports; to harmonize provisions; to
11 provide a duty for the Revisor of Statutes; to repeal the
12 original sections; to outright repeal sections 71-7606.01
13 and 71-7613, Revised Statutes Supplement, 2000; and to

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1 declare an emergency.

2 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-1526, Revised Statutes Supplement,
2 2000, is amended to read:

3 68-1526. The department shall adopt and promulgate rules
4 and regulations for the operation and administration of the
5 Nebraska Lifespan Respite Services Program, including, but not
6 limited to:

7 (1) Criteria, procedures, and timelines for designation
8 of the community-based private nonprofit or for-profit agencies or
9 public agencies that will receive funding to provide respite
10 services under community lifespan respite services programs; ~~and~~

11 (2) A requirement that each community lifespan respite
12 services program publicize the telephone number and address where
13 families and caregivers may contact the program; ~~and~~

14 (3) Procedures and guidelines for determining priorities,
15 eligibility standards, and eligibility criteria for the selection
16 of caregivers to participate in programs funded under the Nebraska
17 Lifespan Respite Services Program.

18 Sec. 2. Section 71-1626, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 71-1626. For purposes of sections 71-1626 to 71-1636 and
21 sections 4 to 11 of this act:

22 (1) Core public health functions means assessment, policy
23 development, and assurance designed to protect and improve the
24 health of persons within a geographically defined community by (a)
25 emphasizing services to prevent illness, disease, and disability,
26 (b) promoting effective coordination and use of community
27 resources, and (c) extending health services into the community,
28 including public health nursing, disease prevention and control,

1 public health education, and environmental health services;

2 (2) ~~A county~~ County, district, or city-county health
3 department ~~shall mean~~ means a state-approved local full-time public
4 health service ~~(1)~~ (a) utilizing local, state, federal, and other
5 funds or any combination thereof, ~~(2)~~ (b) employing qualified
6 public health medical, nursing, environmental health, health
7 education, and other essential personnel who work under the
8 direction and supervision of a full-time qualified medical director
9 or of a full-time qualified lay administrator, are well-trained in
10 public health work, and are assisted at least part time by at least
11 one medical consultant who shall be a licensed physician, and ~~(3)~~
12 (c) conducted in conformity with the rules, regulations, and
13 policies of the Department of Health and Human Services, the
14 Department of Health and Human Services Regulation and Licensure,
15 and the Department of Health and Human Services Finance and
16 Support. The medical director or lay administrator shall be called
17 the health director; and

18 (3) Local public health department means a county,
19 district, or city-county health department.

20 Sec. 3. Section 71-1627, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 71-1627. ~~Any county or group of counties may establish a~~
23 ~~county or district~~ A local public health department with shall have
24 a health director at its head, who ~~shall be~~ is required to give his
25 or her entire time to the duties of the office, and such other
26 necessary qualified full or part-time health officers,
27 environmental health specialists, public health nurses, health
28 educators, and clerical assistants as may be necessary to carry on

1 the activities pertinent to a ~~county or district~~ the health
2 department.

3 Sec. 4. It is the intent of the Legislature that all
4 persons residing in the State of Nebraska have access to public
5 health services. It is the intent of the Legislature that local
6 public health departments be established statewide and work
7 collaboratively with local providers and community organizations in
8 order to assure the full range of public health services as
9 prescribed by the Centers for Disease Control and Prevention of the
10 United States Department of Health and Human Services. The
11 Legislature declares that each local public health department
12 should be able to carry out core public health functions. Core
13 public health functions include assessment and policy development,
14 prevention of illness and disease, and assurance of services
15 including public health nursing, health education, and
16 environmental health services.

17 Sec. 5. (1) Beginning July 1, 2001, and ending June 30,
18 2002:

19 (a) The county board of a county which does not have or
20 is not a part of a local public health department may apply to the
21 Department of Health and Human Services for five thousand dollars
22 to be used solely for the development of (i) a plan for the
23 establishment of a local public health department if the county has
24 more than fifty thousand residents or (ii) an interlocal agreement
25 between counties for the establishment of a local public health
26 department if at least three contiguous counties are involved and
27 the counties involved have a total of at least thirty thousand
28 residents; and

1 (b) The county board of a county which has or is part of
2 a local public health department may apply to the Department of
3 Health and Human Services for five thousand dollars to be used
4 solely for the development of an interlocal agreement for the
5 establishment of a local public health department with at least two
6 other counties if the counties involved have a total of at least
7 thirty thousand residents.

8 (2) An application under subsection (1) of this section
9 may be made jointly by two or more counties for the development of
10 an interlocal agreement, and each county which is a party to the
11 application shall receive five thousand dollars under such
12 subsection.

13 (3) An application shall include, but not be limited to,
14 (a) the name of the county or counties making the application, (b)
15 the number of residents of the county or group of counties, and (c)
16 the projected date of implementation of the plan or agreement.

17 Sec. 6. One or more counties may petition to become part
18 of an existing county or district health department. As part of
19 the petition, the county board may agree to abide by the existing
20 interlocal agreement or may ask for negotiation of a new interlocal
21 agreement. If the petition is denied by the county or counties
22 which have established such existing department, the denial may be
23 appealed to the Director of Regulation and Licensure. Failure of
24 such county or counties to respond within one hundred twenty days
25 after receiving the petition shall constitute a denial of the
26 petition under this section. The director may review the petition,
27 including the terms of the existing or new agreement, and make a
28 determination as to whether the petition should be granted and fair

1 and reasonable terms in regards to the agreement. If the director
2 determines that the petition should be granted but the county or
3 counties which have established such existing department refuse to
4 accept the petition or refuse to accept the terms determined to be
5 fair and reasonable, the director shall prohibit any future payment
6 of funds under section 11 or 22 of this act to the county or
7 district health department established by such county or counties.

8 Sec. 7. (1) Each local public health department shall
9 carry out the core public health functions within its
10 geographically defined community.

11 (2) Each local public health department shall include the
12 essential elements in carrying out the core public health functions
13 to the extent applicable within its geographically defined
14 community and to the extent funds are available. The essential
15 elements include, but are not limited to, (a) monitoring health
16 status to identify community health problems, (b) diagnosing and
17 investigating health problems and health hazards in the community,
18 (c) informing, educating, and empowering people about health
19 issues, (d) mobilizing community partnerships to identify and solve
20 health problems, (e) developing policies and rules that support
21 individual and community health efforts, (f) enforcing laws, rules,
22 and regulations that protect public health and the environment and
23 ensure safety, (g) linking people to needed medical and mental
24 health services and assuring the provision of health care when not
25 otherwise available, (h) assuring a competent workforce within the
26 health care industry and the public health departments, (i)
27 evaluating effectiveness, accessibility, and quality of services
28 within the health care industry and the public health departments,

1 and (j) researching to gain new insights and innovative solutions
2 to health problems.

3 Sec. 8. Each local public health department shall
4 prepare an annual report regarding the core public health functions
5 carried out by the department in the prior fiscal year. The report
6 shall be submitted to the Department of Health and Human Services
7 by October 1. The department shall compile the reports and submit
8 the results to the Health and Human Services Committee of the
9 Legislature by December 1.

10 Sec. 9. The Department of Health and Human Services
11 shall employ two full-time persons with expertise in the public
12 health field to provide technical expertise in carrying out core
13 public health functions and essential elements and coordinate the
14 dissemination of materials to the local public health departments.

15 Sec. 10. (1) The Department of Health and Human Services
16 shall establish a satellite office of minority health in each
17 congressional district to coordinate and administer state policy
18 relating to minority health. Each office shall implement a
19 minority health initiative in counties with a minority population
20 of at least five percent of the total population of the county as
21 determined by the most recent federal decennial census which shall
22 target, but not be limited to, infant mortality, cardiovascular
23 disease, obesity, diabetes, and asthma.

24 (2) In any congressional district which has a minority
25 population over seventy-five thousand inhabitants, any funds
26 appropriated under subdivision (2)(a) of section 22 of this act
27 shall be distributed as follows: Seventy percent to federally
28 qualified health centers which serve primarily African Americans

1 and thirty percent to federally qualified health centers which
2 serve primarily Spanish-speaking persons and Native Americans.

3 (3) Each office shall prepare an annual report regarding
4 the implementation of the minority health initiative in the prior
5 fiscal year. The report shall be submitted to the department by
6 October 1. The department shall submit the report to the Health
7 and Human Services Committee of the Legislature by December 1.

8 Sec. 11. (1) The County Public Health Aid Program is
9 created. Aid as appropriated by the Legislature shall be
10 distributed as provided in subsections (2) through (4) of this
11 section.

12 (2) The department shall reserve two million dollars in
13 each fiscal year for purposes of this subsection. One hundred
14 thousand dollars shall be distributed each fiscal year to each
15 local public health department established under sections 71-1626
16 to 71-1636 and sections 4 to 11 of this act which is composed of at
17 least three contiguous counties and has at least thirty thousand
18 and not more than fifty thousand residents within its
19 geographically defined community. One hundred twenty-five thousand
20 dollars shall be distributed each fiscal year to each local public
21 health department established under sections 71-1626 to 71-1636 and
22 sections 4 to 11 of this act which has more than fifty thousand and
23 not more than one hundred thousand residents within its
24 geographically defined community. One hundred fifty thousand
25 dollars shall be distributed each fiscal year to each local public
26 health department established under sections 71-1626 to 71-1636 and
27 sections 4 to 11 of this act which has more than one hundred
28 thousand residents within its geographically defined community.

1 Each local public health department shall use such funds for
2 establishment, management, and operation of such department and its
3 core public health functions. The Health and Human Services
4 Committee of the Legislature shall annually review the number of
5 local public health departments accessing funds pursuant to this
6 subsection.

7 (3) The department shall allocate a percentage of the
8 remainder of funds appropriated under the County Public Health Aid
9 Program to each county on a per capita basis as determined by the
10 most recent federal decennial census. The funds for each county
11 shall be distributed to the local public health department of the
12 county if the county has more than fifty thousand residents or the
13 local public health department of which the county is a part if the
14 department is composed of at least three counties and has at least
15 thirty thousand residents within its geographically defined
16 community. If a county does not have or is not a part of such a
17 local public health department, the county's share of funds under
18 this subsection shall be held for the remainder of the fiscal year
19 and may be distributed to the county at any time during such year
20 if the county establishes a local public health department pursuant
21 to section 5 of this act or enters an interlocal agreement to
22 establish or become a part of a local public health department
23 pursuant to section 5 or 6 of this act.

24 (4) Funds received by a local public health department
25 under this section shall not be used to replace or reduce existing
26 county funding to such department. Funds distributed under this
27 section shall be reduced to offset any such replacement or
28 reduction.

1 Sec. 12. Section 71-6050, Revised Statutes Supplement,
2 2000, is amended to read:

3 71-6050. (1) The council shall advise and make
4 recommendations to the department on all matters pertaining to the
5 licensure and regulation of nursing homes in this state.

6 (2) In ~~7 and in~~ furtherance of such powers, the council
7 shall:

8 (a) Study, review, and make recommendations from time to
9 time to the department for rules and standards governing the
10 licensing and operation of nursing homes in this state;

11 (b) Recommend procedures to the department in making
12 inspections, reviewing applications, conducting hearings, and
13 performing other duties of the department relative to nursing
14 homes;

15 (c) Assist the department in the formulation of minimum
16 standards and regulations for nursing homes in this state; and

17 (d) Perform such other duties as may be necessary to
18 carry out the purposes and intent of sections 71-6043 to 71-6052.

19 ~~(2) The council shall advise the Department of Health and~~
20 ~~Human Services Finance and Support and the Director of Finance and~~
21 ~~Support regarding the awarding of grants or making of loan~~
22 ~~guarantees under section 71-7613.~~

23 Sec. 13. Section 71-7605, Revised Statutes Supplement,
24 2000, is amended to read:

25 71-7605. Sections 71-7605 to 71-7614 and sections 20 to
26 26 of this act shall be known and may be cited as the Nebraska
27 Health Care Funding Act.

28 Sec. 14. Section 71-7606, Revised Statutes Supplement,

1 2000, is amended to read:

2 71-7606. (1) The purpose of the Nebraska Health Care
3 Funding Act is to provide for the use of revenue use the investment
4 income received from specifically named funding sources for the
5 provision of health care and long-term care services in the State
6 of Nebraska including (1) alternatives to traditional long-term
7 care services, (2) health insurance, (3) community public health
8 services, (4) health care access and delivery for the medically
9 underserved, and (5) health care quality and cost containment
10 health-care-related expenditures.

11 (2) Except as otherwise provided, any funds appropriated
12 or distributed under the act shall not be considered ongoing
13 entitlements or obligations on the part of the State of Nebraska
14 and shall not be used to replace existing funding for existing
15 programs.

16 (3) No funds shall be used appropriated or distributed
17 under the Nebraska Health Care Funding Act act shall be used for
18 abortion, abortion counseling, referral for abortion, or
19 school-based health clinics, or research or activity of any kind
20 involving the use of human fetal tissue obtained in connection with
21 the performance of an induced abortion or involving the use of
22 human embryonic stem cells or for the purpose of obtaining other
23 funding for such use.

24 (4) The Department of Health and Human Services and the
25 Department of Health and Human Services Finance and Support shall
26 report annually to the Legislature and the Governor regarding the
27 use of funds appropriated under the act and the outcomes achieved
28 from such use.

1 Sec. 15. Section 71-7607, Revised Statutes Supplement,
2 2000, is amended to read:

3 71-7607. (1) The Nebraska Medicaid Intergovernmental
4 Trust Fund is created. The fund shall include revenue received ~~on~~
5 ~~or after January 1, 1998,~~ from governmental nursing facilities
6 receiving payments for nursing facility services under the medical
7 assistance program established pursuant to section 68-1018. The
8 Department of Health and Human Services Finance and Support shall
9 remit such revenue to the State Treasurer for credit to the fund.
10 ~~, except that of such revenue received on or after July 1, 2000,~~
11 ~~fourteen million dollars shall be remitted to the State Treasurer~~
12 ~~for credit to the Nursing Facility Conversion Cash Fund.~~ The
13 department shall adopt and promulgate rules and regulations to
14 establish procedures for participation by governmental nursing
15 facilities and for the receipt of such revenue under this section.
16 ~~Investment income from the Nebraska Medicaid Intergovernmental~~
17 ~~Trust Fund Money from the fund~~ shall be transferred to the Nebraska
18 Health Care Cash Fund ~~to be used~~ as provided in section 71-7611.

19 (2) If there is an unanticipated reduction in federal
20 medicaid funds derived pursuant to this section, the department may
21 use revenue in the Nebraska Medicaid Intergovernmental Trust Fund
22 to offset the amount of such reduction.

23 (3) Any money in the fund available for investment shall
24 be invested by the state investment officer pursuant to the
25 Nebraska Capital Expansion Act and the Nebraska State Funds
26 Investment Act.

27 Sec. 16. Section 71-7608, Revised Statutes Supplement,
28 2000, is amended to read:

1 71-7608. The Nebraska Tobacco Settlement Trust Fund is
2 created. The fund shall include any settlement payments or other
3 revenue received by the State of Nebraska in connection with any
4 tobacco-related litigation to which the State of Nebraska is a
5 party. The Department of Health and Human Services Finance and
6 Support shall remit such revenue to the State Treasurer for credit
7 to the fund, except that, of such revenue received on or after
8 April 1, 2000, twenty-one million dollars shall be credited to the
9 Tobacco Prevention and Control Cash Fund as follows: (1) Seven
10 million dollars in FY1999-00, (2) seven million dollars in
11 FY2000-01, and (3) seven million dollars in FY2001-02. Subject to
12 the terms and conditions of such litigation, ~~the investment income~~
13 money from the fund Nebraska Tobacco Settlement Trust Fund shall be
14 transferred to the Nebraska Health Care Cash Fund ~~to be used~~ as
15 provided in section 71-7611. Any money in the Nebraska Tobacco
16 Settlement Trust Fund available for investment shall be invested by
17 the state investment officer pursuant to the Nebraska Capital
18 Expansion Act and the Nebraska State Funds Investment Act.

19 Sec. 17. Section 71-7609, Revised Statutes Supplement,
20 2000, is amended to read:

21 71-7609. The Nursing Facility Conversion Cash Fund is
22 created. The fund shall be used for grants or loan guarantees ~~as~~
23 ~~provided in section 71-7613~~ by the Department of Health and Human
24 Services Finance and Support to nursing facilities for capital or
25 one-time expenditures to convert all or a portion of such
26 facilities to licensed assisted-living facilities or other
27 alternatives to nursing facility care after deducting expenses
28 incurred in the administration of such grants or loan guarantees.

1 Grants or loan guarantees awarded from the fund prior to January 1,
2 2002, may be paid to eligible recipients. This section terminates
3 on January 1, 2003. The State Treasurer shall transfer any
4 unobligated balance in the fund upon termination of this section to
5 the Nebraska Health Care Cash Fund. Any money in the ~~fund~~ Nursing
6 Facility Conversion Cash Fund available for investment shall be
7 invested by the state investment officer pursuant to the Nebraska
8 Capital Expansion Act and the Nebraska State Funds Investment Act.

9 Sec. 18. Section 71-7611, Revised Statutes Supplement,
10 2000, is amended to read:

11 71-7611. (1) The Nebraska Health Care Cash Fund is
12 created. The fund shall include revenue transferred from the
13 Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska
14 Tobacco Settlement Trust Fund. The State Treasurer shall transfer
15 fifty million dollars annually no later than July 15 from the
16 Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska
17 Tobacco Settlement Trust Fund to the Nebraska Health Care Cash
18 Fund. The state investment officer upon consultation with the
19 Nebraska Investment Council shall advise the State Treasurer on the
20 amounts to be transferred from the Nebraska Medicaid
21 Intergovernmental Trust Fund and from the Nebraska Tobacco
22 Settlement Trust Fund under this section in order to sustain such
23 transfers in perpetuity. The state investment officer shall report
24 to the Legislature on or before October 1 of every even-numbered
25 year on the sustainability of such transfers. The Nebraska Health
26 Care Cash Fund shall be used for grants as provided in section
27 71-7614 after deducting any expenses incurred in the administration
28 of such grants.

1 (2) Any money in the ~~fund~~ Nebraska Health Care Cash Fund
2 available for investment shall be invested by the state investment
3 officer pursuant to the Nebraska Capital Expansion Act and the
4 Nebraska State Funds Investment Act.

5 Sec. 19. Section 71-7614, Revised Statutes Supplement,
6 2000, is amended to read:

7 71-7614. ~~(1)~~ The Nebraska Health Care Cash Fund shall be
8 used for grants for ~~(a)~~ public health services which focus on
9 health education, preventive health measures, and environmental
10 health, assessment, and assurance, including services for
11 reservation or service areas of federally recognized Native
12 American tribes in Nebraska and organizations that focus on the
13 health of minority groups, ~~(b)~~ activities related to the design,
14 maintenance, or enhancement of the statewide trauma system, support
15 of emergency medical services programs, and support for the
16 emergency medical services programs for children, ~~(c)~~ conversion of
17 hospitals in rural areas of the state to critical access hospitals,
18 ~~(d)~~ education, recruitment, and retention of primary care
19 professionals, behavioral health professionals, and nurses for
20 medically underserved areas, ~~(e)~~ health infrastructure development
21 which is supportive of telemedicine capability, including, but not
22 limited to, high-speed data and medical information transmission,
23 and ~~(f)~~ the development and expansion of community-based aging
24 services designed to promote the independent living status of and
25 delay institutional care for elderly persons, including, but not
26 limited to, personal care, respite care, homemaker care, and chore
27 and transportation services.

28 ~~(2)~~ (1) The Nebraska Health Care Council is created. The

1 ~~Director of Finance and Support or his or her designee shall be an~~
2 ~~ex officio member of the council.~~ The council shall consist of a
3 chairperson and eight additional members appointed by the Governor
4 with the approval of a majority of the Legislature. The
5 ~~chairperson and additional~~ members shall be appointed for staggered
6 three-year terms. ~~7 except that of the initial members, three~~
7 ~~shall be appointed for one-year terms and three for two-year terms.~~
8 The membership council shall include at least one consumer, and one
9 health care provider, and one member of a racial or ethnic
10 minority. The Director of Finance and Support or his or her
11 designee shall be a nonvoting, ex officio member of the council.
12 ~~and shall be representative of all geographical regions of the~~
13 ~~state.~~ Any vacancy shall be filled in the same manner as the
14 original appointment for the unexpired term. Members of the
15 council shall be reimbursed for their actual and necessary expenses
16 as provided in sections 81-1174 to 81-1177. The Department of
17 Health and Human Services Finance and Support shall provide staff
18 support for the council. The Department of Health and Human
19 Services and the Department of Health and Human Services Regulation
20 and Licensure shall also assist the Department of Health and Human
21 Services Finance and Support and the council as may be necessary.
22 ~~Members of the council shall be reimbursed for their actual and~~
23 ~~necessary expenses as provided in sections 81-1174 to 81-1177.~~

24 (2) Five million dollars of the Nebraska Health Care Cash
25 Fund shall be used annually for grants awarded by the council for
26 public health purposes as defined by the council and adopted in
27 rules and regulations of the Department of Health and Human
28 Services Finance and Support. At least seven hundred thousand

1 dollars of such grants shall be awarded annually by the council to
2 improve racial and ethnic minority health. Grants awarded under
3 this section shall not exceed three years in duration, except that
4 extensions of up to one year may be granted by the council for good
5 cause. The council shall report all such extensions to the
6 Department of Health and Human Services Finance and Support and to
7 the Health and Human Services Committee of the Legislature.

8 ~~(3) The council, with the approval of the Director of~~
9 ~~Finance and Support, shall award grants under subsection (1) of~~
10 ~~this section to a person or entity for expenditures, including, but~~
11 ~~not limited to, startup and training expenses and operating losses,~~
12 ~~which will improve access to or delivery of health care services to~~
13 ~~medically underserved individuals or in medically underserved areas~~
14 ~~or which will help contain or reduce the cost or improve the~~
15 ~~quality of health care services.~~

16 ~~(4) Eligible services under subdivision (1)(a) of this~~
17 ~~section shall include, but not be limited to, (a) projects to~~
18 ~~implement the Community Health Care Act, (b) the hiring of school~~
19 ~~nurses by educational service units, school districts, public~~
20 ~~health entities, or partnerships between schools and public health~~
21 ~~entities in order to identify children for medicaid eligibility and~~
22 ~~to provide immunizations and other public health services, (c)~~
23 ~~health education and activities that focus on prenatal care, proper~~
24 ~~diet, physical activity, the reduction of teen and other unintended~~
25 ~~pregnancies, the prevention of disease, and other public health~~
26 ~~problems, (d) staffing needs for public health services or~~
27 ~~education, including recruitment and training, (e) pregnancy~~
28 ~~testing, (f) tests and screenings for blood pressure, cholesterol,~~

1 sexually transmitted diseases, cervical cancer, breast cancer,
2 communicable diseases, and other potential public health problems,
3 ~~(g) matching funds for state and federal health programs designed~~
4 ~~to address public health needs, (h) laboratory equipment to enable~~
5 ~~the Department of Health and Human Services Regulation and~~
6 ~~Licensure to carry out its powers and duties relating to laboratory~~
7 ~~services, and (i) public health environmental services.~~

8 ~~(5) This section does not create an entitlement to any~~
9 ~~funds available for grants under this section, and the council may~~
10 ~~award grants to the extent funds are available and, within its~~
11 ~~discretion, to the extent such applications are approved. No~~
12 ~~project shall receive funding for more than three years through~~
13 ~~such grants unless the council determines that unusual~~
14 ~~circumstances dictate the need for an extension of funding.~~
15 ~~Extensions shall be granted for no more than one year at a time and~~
16 ~~shall be reported by the Department of Health and Human Services~~
17 ~~Finance and Support to the Health and Human Services Committee of~~
18 ~~the Legislature.~~

19 ~~(6) (3) The department Department of Health and Human~~
20 ~~Services Finance and Support shall:~~

21 (a) In consultation with the ~~Nebraska Health Care Council~~
22 ~~council~~, develop criteria for the awarding of grants from the
23 ~~Nebraska Health Care Cash Fund fund~~ pursuant to ~~subsection (1) of~~
24 ~~this section;~~

25 (b) ~~Have the power to approve~~ Approve or disapprove
26 decisions by the council regarding the selection of projects to be
27 funded and the distribution ~~and duration~~ of project funding;

28 (c) In consultation with the council, establish

1 standards, formats, procedures, and timelines for the successful
2 implementation of approved projects;

3 (d) In consultation with the council, assist grant
4 recipients in determining the effectiveness of the project and
5 measure the accomplishment of the grant objectives; and

6 (e) Provide annual reports to the Governor and the
7 Legislature concerning the projects. Each report shall include a
8 listing of priorities established by the council for grants awarded
9 under this section, the number of applicants and approved
10 applicants for such grants, an overview of the various funded
11 projects, and detailed reports of the cost of such projects; each
12 project.

13 ~~(7) The department shall, in~~ (f) In consultation with the
14 council, adopt and promulgate rules and regulations establishing
15 criteria, standards, and procedures regarding the selection and
16 administration of funded projects; and

17 (g) Require recipients of grants under this section to
18 provide such data relating to the funded projects as the department
19 deems necessary. ~~funded from the fund pursuant to subsection (1)~~
20 ~~of this section.~~ Such projects shall not include permanent,
21 ongoing programs unless approved by the Legislature. The
22 department or council may recommend projects to the Legislature for
23 establishment as permanent, ongoing programs to be funded from the
24 fund. Permanent, ongoing programs approved by the Legislature
25 shall be fully funded on an annual basis prior to the use of the
26 fund for any other project funded from the fund pursuant to
27 subsection (1) of this section. Recipients of funding pursuant to
28 subsection (1) of this section shall be required to provide, upon

1 ~~request, such data relating to the funded projects as the~~
2 ~~department deems necessary.~~

3 Sec. 20. It is the intent of the Legislature to
4 appropriate from the Nebraska Health Care Cash Fund as follows:

5 (1)(a) Seven million five hundred thousand dollars in
6 fiscal year 2001-02 and seven million five hundred thousand dollars
7 in fiscal year 2002-03 to the Department of Health and Human
8 Services Finance and Support for rates paid to providers of mental
9 health and substance abuse services other than rates funded under
10 subdivision (b) of this subdivision. The Director of Finance and
11 Support shall ensure that funds appropriated under this subdivision
12 are allocated and distributed solely for such purpose; and

13 (b) Two million four hundred thousand dollars in fiscal
14 year 2001-02 and two million six hundred thousand dollars in fiscal
15 year 2002-03 to the Department of Health and Human Services Finance
16 and Support for rates paid to providers of inpatient hospital
17 mental health services and hospital-sponsored residential care
18 mental health services under the medicaid mental health managed
19 care contract. The state mental health managed care contractor may
20 negotiate different rates with providers as may be necessary and
21 appropriate. Any funds provided by the state mental health managed
22 care contractor for such purpose shall be offset by an equal
23 reduction in state cash fund and federal fund expenditures
24 disbursed to providers under this subdivision. Any funds not
25 expended in fiscal year 2001-02 shall be reappropriated;

26 (2) Six million five hundred thousand dollars in fiscal
27 year 2001-02 and six million five hundred thousand dollars in
28 fiscal year 2002-03 to the Department of Health and Human Services

1 Finance and Support for the development of community-based mental
2 health and substance abuse services, including intermediate level
3 residential mental health services. Funds appropriated under this
4 subdivision shall be distributed to each of the six mental health
5 regions defined in subdivision (6) of section 71-5002 based upon a
6 formula determined by the Department of Health and Human Services
7 in consultation with regional governing boards, providers, and
8 other interested parties. Services under this subdivision may be
9 provided directly by a regional governing board only after
10 competitive bidding for such services and a determination by the
11 regional governing board with the approval of the Director of
12 Health and Human Services that such services can be more reasonably
13 and beneficially provided by the regional governing board. The
14 department and regional governing boards shall consult with the
15 State Mental Health Planning and Evaluation Council and the State
16 Alcoholism and Drug Abuse Advisory Committee on matters relating to
17 the development and funding of services under this subdivision.
18 The regional governing boards shall ensure that such services are
19 equitably provided in all counties within the region based on need;
20 (3) One million five hundred thousand dollars in fiscal
21 year 2001-02 and one million five hundred thousand dollars in
22 fiscal year 2002-03 to the Department of Health and Human Services
23 Finance and Support for the cost of maintenance and treatment of
24 persons in emergency protective custody under the Nebraska Mental
25 Health Commitment Act until such persons are admitted for treatment
26 pursuant to an order of commitment by a district court or a mental
27 health board under section 29-1823 or 83-1037. Funds appropriated
28 under this subdivision shall be distributed to mental health

1 regions defined in subdivision (6) of section 71-5002 based on a
2 formula established by the Department of Health and Human Services;
3 and

4 (4) One million dollars in fiscal year 2001-02 and one
5 million dollars in fiscal year 2002-03 to the Office of Juvenile
6 Services for mental health services to juvenile offenders under
7 section 43-407.

8 Sec. 21. It is the intent of the Legislature to
9 appropriate three million dollars in fiscal year 2001-02 and five
10 million dollars in fiscal year 2002-03 from the Nebraska Health
11 Care Cash Fund to the Department of Health and Human Services
12 Finance and Support to provide services to persons with
13 developmental disabilities who are on the waiting list for such
14 services beginning with those who have been on the waiting list for
15 the greatest length of time past their date of need.

16 Sec. 22. It is the intent of the Legislature to
17 appropriate from the Nebraska Health Care Cash Fund as follows:

18 (1) Five million seven hundred thousand dollars in fiscal
19 year 2001-02 and five million seven hundred thousand dollars in
20 fiscal year 2002-03 for local public health services, public health
21 planning, and public health infrastructure development. Funds
22 appropriated under this subdivision shall be distributed in each
23 fiscal year as follows:

24 (a) One hundred thousand dollars to the Department of
25 Health and Human Services for two full-time employees with public
26 health expertise and related operating costs; and

27 (b) Five million six hundred thousand dollars to the
28 Department of Health and Human Services Finance and Support for

1 public health planning grants to counties and for aid to local
2 public health departments as provided in sections 5 and 11 of this
3 act.

4 Any funds not expended in fiscal year 2001-02 and fiscal
5 year 2002-03 shall be reappropriated each fiscal year; and

6 (2) Two million eight hundred thousand dollars in fiscal
7 year 2001-02 and two million eight hundred thousand dollars in
8 fiscal year 2002-03 for minority public health services. Funds
9 appropriated under this subdivision shall be distributed in each
10 fiscal year as follows:

11 (a) One million dollars to federally qualified health
12 centers in a congressional district which has a minority population
13 of over seventy-five thousand inhabitants pursuant to section 10 of
14 this act;

15 (b) One million five hundred eighty thousand dollars to
16 the Department of Health and Human Services Finance and Support for
17 minority public health services in counties having a minority
18 population equal to or exceeding five percent of the total
19 population of the county in the first and third congressional
20 districts as determined by the most recent federal decennial
21 census. The department shall distribute the funds on a per capita
22 basis for the purpose of implementing a statewide minority health
23 initiative which may target, but shall not be limited to, infant
24 mortality, cardiovascular disease, obesity, diabetes, and asthma;
25 and

26 (c) Two hundred twenty thousand dollars to the Department
27 of Health and Human Services to establish and operate a satellite
28 office of minority health in the second and third congressional

1 districts to coordinate and administer state policy relating to
2 minority health.

3 Sec. 23. It is the intent of the Legislature to
4 appropriate from the Nebraska Health Care Cash Fund as follows:

5 (1) One hundred fifty thousand dollars in fiscal year
6 2001-02 and one hundred fifty thousand dollars in fiscal year
7 2002-03 to the Department of Health and Human Services for the
8 development of new respite programs in each of the service areas
9 designated by the Policy Cabinet established in section 81-3009;

10 (2) One hundred thousand dollars in fiscal year 2001-02
11 and one hundred thousand dollars in fiscal year 2002-03 to the
12 Department of Health and Human Services for personnel and other
13 administrative costs related to the Nebraska Lifespan Respite
14 Services Program; and

15 (3) Eight hundred ten thousand dollars in fiscal year
16 2001-02 and eight hundred ten thousand dollars in fiscal year
17 2002-03 to the Department of Health and Human Services Finance and
18 Support to aid in carrying out the Nebraska Lifespan Respite
19 Services Program to provide payment to caregivers to purchase
20 services under the respite subsidy program.

21 Sec. 24. It is the intent of the Legislature to
22 appropriate ten million dollars in fiscal year 2001-02, ten million
23 dollars in fiscal year 2002-03, twelve million dollars in fiscal
24 year 2003-04, twelve million dollars in fiscal year 2004-05, and
25 fourteen million dollars in each fiscal year thereafter from the
26 Nebraska Health Care Cash Fund to the Department of Health and
27 Human Services Finance and Support for biomedical research. At
28 least seven hundred thousand dollars of such appropriated funds

1 shall be used annually for research to improve racial and ethnic
2 minority health. Twenty-four percent of the appropriated funds
3 shall be distributed annually to the University of Nebraska,
4 sixteen percent for contracts with other postsecondary educational
5 institutions having colleges of medicine in Nebraska and their
6 affiliated research hospitals in Nebraska, and sixty percent to the
7 University of Nebraska and for contracts with other postsecondary
8 educational institutions having colleges of medicine in Nebraska
9 and their affiliated research hospitals in Nebraska based on the
10 percentage of all funds expended by such institutions from the
11 National Institutes of Health of the United States Department of
12 Health and Human Services in the prior year as contained in a
13 certified report of such expenditures to the department from such
14 institutions, excluding any such funds expended for research
15 involving the use of human fetal tissue obtained in connection with
16 the performance of an induced abortion or involving the use of
17 human embryonic stem cells. Each recipient of funds under this
18 section shall report annually to the Legislature and to the
19 Governor regarding the use of such funds received. The
20 Appropriations Committee and the Health and Human Services
21 Committee of the Legislature shall conduct a review of all
22 appropriations to such institutions under this section no later
23 than five years after the effective date of this act and every five
24 years thereafter.

25 Sec. 25. It is the intent of the Legislature to
26 appropriate five hundred thousand dollars in fiscal year 2001-02
27 from the Nebraska Health Care Cash Fund to the Legislative Council
28 for the purpose of an evaluation and planning study relating to the

1 delivery of publicly funded health and human services in the State
2 of Nebraska to be directed by the Health and Human Services
3 Committee of the Legislature. The chairperson of the committee
4 shall submit a plan for the study to the Legislature on or before
5 September 1, 2001, and the study shall be completed on or before
6 January 1, 2003. The committee shall report its findings and
7 recommendations to the Governor and to the Legislature on or before
8 January 1, 2003. This section terminates on January 1, 2003.

9 Sec. 26. It is the intent of the Legislature to
10 appropriate seventy-five thousand dollars in fiscal year 2001-02
11 and seventy-five thousand dollars in fiscal year 2002-03 from the
12 Nebraska Health Care Cash Fund to the Department of Justice for
13 enforcement of sections 69-2702 and 69-2703.

14 Sec. 27. The Revisor of Statutes shall assign sections 4
15 to 11 of this act within sections 71-1626 to 71-1636.

16 Sec. 28. Original sections 71-1626 and 71-1627, Reissue
17 Revised Statutes of Nebraska, and sections 68-1526, 71-6050,
18 71-7605, 71-7606, 71-7607 to 71-7609, 71-7611, and 71-7614, Revised
19 Statutes Supplement, 2000, are repealed.

20 Sec. 29. The following sections are outright repealed:
21 Sections 71-7606.01 and 71-7613, Revised Statutes Supplement, 2000.

22 Sec. 30. Since an emergency exists, this act takes
23 effect when passed and approved according to law.